Amendment of FERA

386. SHRI D. B. CHANDRE GOWDA: Will the Minister of FINANCE be pleased to state:

(a) whether in view of several loopholes in the provisions of FERA, Government have felt it necessary to amend the Act; and

(b) if so, what modifications Government propose in the Act?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Government of India have received suggestions for amending the Foreign Exchange Regulation Act, 1973 and these are being examined.

Violation of FERA by Jyotsna Holding

387. SHRI D. B. CHANDRE GOWDA: Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate has established FERA violations against Jyotsna Holding in getting commission towards consultation charges from Sumitomo Corporation of Japan;

(b) if so, what are the details thereof; and

(c) what action has been taken by Government against Jyotsna Holding Company?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) Based on their investigations, Directorate of Enforcement have initiated adjudication proceedings against M/s. Jyotsna Holding (P) Ltd., for alleged violation of the provisions of Sections 8(1), 14 and 47 of the Foreign Exchange Regulation Act, 1973.

Housing Schemes of UTI

388. SHRI D. B. CHANDRE GOWDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently approved a newly formulated housing scheme of the Unit Trust of India (UTI) known as Housing and Construction Unit Scheme;

(b) if so, what are the salient features of the said scheme of the UTI;

(c) whether the investors in the UTI will get housing facility under this scheme; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) Government have recently conveyed approval to the Unit Trust of India (UTI) for the launching of the Housing and Construction Development Fund. The salient features of the Fund are given below:

(i) The Fund proposes to initially raise Rs. 50 crores. If the response is encouraging the size of the Fund might be increased to Rs. 100 crores.

(ii) Only individuals, registered cooperative societies and non-resident Indians will be eligible to participate in the Fund. The minimum subscription to the Fund will be Rs. 1000/.

(iii) The Investment objective of the Fund will be to provide attractive return to the Unit holders through capital appreciation and dividend by investing in land and construction activities.

(iv) The Fund will be managed by the UTI with the Housing Development Finance Corporation Ltd. acting as Advisors.